

Montgomery College

MISSION STATEMENT

The mission of the College is to provide postsecondary educational programs directed toward four broad groups of students:

- Those who want the first two years of a university education, either for an associate's degree or preparatory to another program;
- Those who want to prepare for a career not requiring a bachelor's degree;
- Highly capable high school juniors and seniors who participate in special programs; and
- Adults who want to continue their education, either to improve job skills or for personal enrichment.

BUDGET OVERVIEW

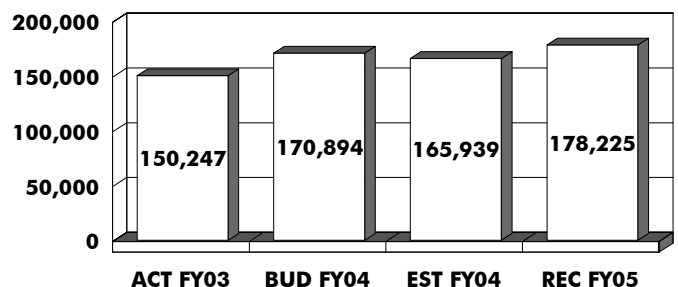
The total recommended FY05 Operating Budget for Montgomery College is \$178,224,844 an increase of \$7,330,687 or 4.3 percent from the FY04 approved budget of \$170,894,157, which equals the College's request of \$178.2 million. The County Executive recommends fully funding the College's FY05 budget request. Related revenues not including the County contribution are \$101.8 million, a decrease of \$0.8 million or 0.7 percent from the approved FY04 budget.

Montgomery College's budget request is not detailed in this document. The College budget request may be obtained by contacting the Office of the President, Montgomery College, 900 Hungerford Drive, Rockville, Maryland, 20850, phone 301.279.5272. State law requires the Board of Trustees and the President to prepare and submit an operating and capital budget to the County Council. The operating budget request is normally submitted to the Council and County Executive in January each year. After final action by the Council in May, the Board adopts the approved budget in June. The College's approved budget is included in the Approved FY05 Operating and Capital Budgets, which is prepared by the Office of Management and Budget in July.

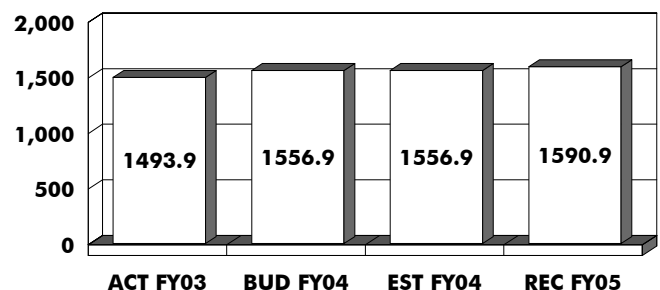
Spending Affordability Guidelines

In December 2003, the Council approved FY05 Spending Affordability Guidelines (SAG) of \$146.4 million for the tax supported funds of Montgomery College, a 5.5 percent increase from the \$138.9 million FY04 original budget. The Board of Trustees has requested \$151.6 million, \$5.4 million or 3.7 percent above the guideline. The County Executive recommends an appropriation of \$151.6 million for the tax supported funds. If the Council amends the allocation for Montgomery College under the spending affordability process,

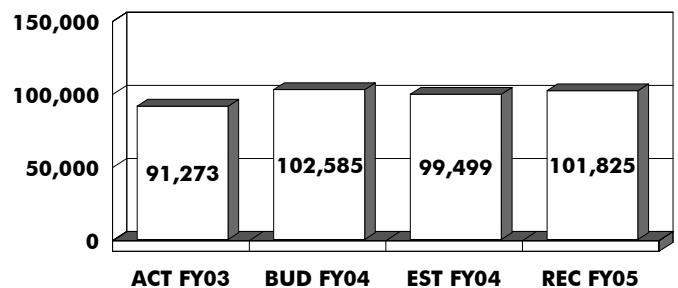
Trends



EXPENDITURES [\$000s]



WORKYEARS



RELATED REVENUES [\$000s]

and it is below the level recommended by the County Executive, the Executive will forward to Council information on changes the Council would need to make if the Council were to appropriate the FY05 budget at the level set by the Spending Affordability Guidelines.

Enrollment

Enrollment is projected by the College to increase in FY05 for the fourth year in a row to its highest level ever. Enrollment had peaked in FY92 at 12,864 full-time equivalent students (FTEs) in the College's fall, spring, and summer sessions. Enrollment declined until FY97. Since FY97, enrollment has increased each year and is estimated by the College at 14,240 FTEs in FY05. An FTE for one year is calculated as the total number of credit hours divided by 30. The College projects a 2.4 percent increase in FY05 in FTE enrollment, compared to its FY04 budget estimate, and expects annual enrollment to grow by an average of 1.6 percent per year from FY06 to FY10. The College's projections assume approval of the proposed renovation and construction schedule in the Capital Improvements Program.

Tuition

Since FY90, tuition per credit hour for County residents has increased from \$42 to \$86 in FY04. For FY05, the College request is based on an increase of \$3 per credit hour, from \$86 to \$89, for County residents; a \$6 per credit hour increase for in-state residents to \$183; and a \$9 per credit hour increase for out-of-state residents to \$245. The consolidated fee for all students would remain at 20 percent.

Tuition, fees, and other revenues represent 35.0 percent of the revenue (exclusive of fund balance) proposed by the College to fund the FY05 budget, compared with 35.5 percent in the approved FY04 budget.

State Funding

The formula for State funding assistance changed as of FY98. Under the new formula, State funding for all community colleges is equal to 25 percent of the State's General Fund appropriation per full-time equivalent (FTE in FY99), rising one percent per year to 25 percent in FY02. This compares to approximately 18 percent under the old formula. The new formula allocates 36 percent of the amount available based upon prior allocations, 60 percent based on actual enrollment 2 years prior to the budget year, and reserves 4 percent for small colleges. The new formula not only allocates more in total to community colleges but favors colleges experiencing increased enrollments. The Governor's recommended FY05 budget did not meet the legally-required funding formula.

The total amount of State funding assumed in the Executive's Recommended Budget in FY05 is estimated to be \$26,343,248. This assumes that the College will receive a 1% increase in funding in FY05 over what was originally appropriated in the FY04 State budget. It is composed of \$24,941,686 based on the FY05 proposed State Budget and an additional \$1,401,552 for Limited English Proficiency grants (English for Students of Other Languages or ESOL). The College allocates ESOL funds

to its Federal, State, and Private Grants and Contracts Fund. The College allocates formula funds to the Current Fund and Continuing Education Fund based on the proportionate share of credit hours. The \$26,343,238 would be allocated as follows:

- Current Fund - \$22,352,759
- Continuing Education - \$2,588,927
- Grant Fund - \$1,401,552

Tax-Supported Funds

The College has realized significant growth in its budget in recent years, and the total cost per full-time equivalent student has increased above rates of inflation. The cost per full-time equivalent student has increased by 112.7 percent from \$4,990 in FY92 to \$10,613 in FY05 (based on the College's request).

The County Executive recommends a total appropriation of \$151.4 million in the two tax supported funds (Current and Emergency Plant Maintenance and Repair). This amount is an increase of \$6.0 million or 4.1 percent over the \$145.4 million approved in FY04.

Current Fund

In the Current (Operating) Fund, the County Executive is recommending an appropriation of \$151.1 million, an increase of \$6.0 million or 4.1 percent more than the \$145.2 million approved in FY04. This recommendation is predicated upon the College's estimated tuition and fees, including a \$3 per credit hour increase in the tuition rate for County residents, \$6 for in-state residents, and \$9 for out-of-state residents (included in the Board's budget request but not finally enacted). For the College's Current Fund, a significant increase in costs occurred between FY93 and FY98 due to the addition of post-retirement benefits, an increase in the College share of FICA payments formerly paid by the State, and salary improvements.

Emergency Plant Maintenance and Repair Fund

The Emergency Plant Maintenance and Repair Fund provides for unanticipated expenditures to make emergency repairs not funded elsewhere in the budget. The County Executive recommends an appropriation of \$250,000, the same level as in the FY04 approved budget. The College requested an appropriation of \$250,000.

Other Funds

Cable Television

The College requests and the County Executive recommends an appropriation of \$848,100 for Cable Television, a \$63,554 increase from the FY04 approved budget amount of \$784,546 or 8.1 percent. The Cable Television program provides for production and operation of the College's higher education channel on the County's cable system. The requested amount would provide instructional programs and public service offerings of the College to the community.

As shown in the County's Cable Communications Plan, the County Executive recommends \$848,000 in revenues for this program. Additional detail on the College's Cable budget can be found in the Cable Communications Plan in this volume.

Special Funds

The College's special funds for Continuing Education and Auxiliary Enterprises are meant to be self-supporting. Continuing Education is supported by a combination of student tuition and fees and State reimbursements, which are based on the full-time equivalent (FTE) enrollment in the academic year two years previous to the current year. The College requests and the County Executive recommends an appropriation of \$10,664,217 for the Continuing Education Fund, a decrease of \$350,000 or 3.2 percent from the \$11,014,217 approved in FY04.

The County Executive recognizes the importance of higher education to the economic development and well-being of Montgomery County. The County Executive's recommended budget would provide sufficient funds for the Workforce Development and Continuing Education program. It would also provide additional instructors to meet the College's growing enrollment.

The Auxiliary Enterprises Fund includes the Bookstore, the Child Care Center, and Food Services, and is supported by revenue earned from these activities. The College requests and the County Executive recommends an appropriation of \$4,416,760 for this fund, an increase of \$563,064 or 14.6 percent from the \$3,853,696 approved in FY04.

The Grants and Contracts Fund includes grants and contracts received by the College from all sources. The College requests and the County Executive recommends an appropriation of \$9,158,925 for this fund.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding. Please see Section 5 for information related to the CIP.

PROGRAM CONTACTS

Contact Donna Dimon of the Montgomery College at 301.251.7290 or Anita A. Aryeetey of the Office of Management and Budget at 240.777.2784 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY03	Budget FY04	Estimated FY04	Recommended FY05	% Chg Bud/Rec
CURRENT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Current Fund MC Personnel Costs	0	0	0	0	—
Operating Expenses	129,978,865	145,162,842	138,483,166	151,136,842	4.1%
Capital Outlay	0	0	0	0	—
Current Fund MC Expenditures	129,978,865	145,162,842	138,483,166	151,136,842	4.1%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1396.4	1443.4	1443.4	1474.4	2.1%
REVENUES					
Tuition and Fees: Current Fund	45,278,950	50,590,000	49,409,972	52,264,000	3.3%
State Aid	24,211,059	24,070,615	22,451,276	22,352,759	-7.1%
Other Student Fees: Current Fund	854,006	1,050,000	944,881	1,050,000	—
Fed. State & Priv. Gifts & Grants	141,039	125,000	160,347	125,000	—
Current Fund: Interest	433,522	620,000	330,025	700,000	12.9%
Current Fund: Performing Arts Center	70,239	80,000	60,000	80,000	—
Current Fund: Other Revenue	421,292	195,142	288,919	232,684	19.2%
Current Fund MC Revenues	71,410,107	76,730,757	73,645,420	76,804,443	0.1%
EMERGENCY REPAIR FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Emergency Repair Fund Personnel Costs	0	0	0	0	—
Operating Expenses	246,997	250,000	250,000	250,000	—
Capital Outlay	0	0	0	0	—
Emergency Repair Fund Expenditures	246,997	250,000	250,000	250,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
EPMRP: Investment Income Non-Pooled	28	10,000	10,000	2,000	-80.0%
Emergency Repair Fund Revenues	28	10,000	10,000	2,000	-80.0%
GRANT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MC Personnel Costs	0	0	0	0	—
Operating Expenses	8,726,200	9,828,856	9,828,856	9,158,925	-6.8%
Capital Outlay	0	0	0	0	—
Grant Fund MC Expenditures	8,726,200	9,828,856	9,828,856	9,158,925	-6.8%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1.0	1.0	1.0	1.0	—
REVENUES					
Federal/State/Private Grants	8,726,200	9,828,856	9,828,856	9,158,925	-6.8%
Grant Fund MC Revenues	8,726,200	9,828,856	9,828,856	9,158,925	-6.8%
AUXILIARY FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Auxiliary Fund Personnel Costs	0	0	0	0	—
Operating Expenses	2,766,258	3,853,696	3,853,696	4,416,760	14.6%
Capital Outlay	0	0	0	0	—
Auxiliary Fund Expenditures	2,766,258	3,853,696	3,853,696	4,416,760	14.6%

	Actual FY03	Budget FY04	Estimated FY04	Recommended FY05	% Chg Bud/Rec
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	35.5	36.5	36.5	38.5	5.5%
REVENUES					
Auxiliary Fund: Interest Income	0	29,000	29,000	6,034	-79.2%
Other Revenues: Miscellaneous	0	885,412	885,412	999,538	12.9%
Other Revenues: Performing Arts Center	0	131,000	131,000	150,000	14.5%
Sales	3,222,001	2,948,530	2,948,530	3,086,506	4.7%
Auxiliary Fund Revenues	3,222,001	3,993,942	3,993,942	4,242,078	6.2%
WORKFORCE DEVELOPMENT & CONTINUING ED					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Workforce Development & Continuing Ed Personnel Costs	0	0	0	0	—
Operating Expenses	7,526,700	11,014,217	11,014,216	10,664,217	-3.2%
Capital Outlay	0	0	0	0	—
Workforce Development & Continuing Ed Expenditures	7,526,700	11,014,217	11,014,216	10,664,217	-3.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	53.0	68.0	68.0	69.0	1.5%
REVENUES					
Other Revenues; Miscellaneous	225,930	50,000	360,600	50,000	—
Other Revenues: Interest	0	75,000	0	75,000	—
Tuition and Fees: Continuing Education	4,148,290	7,780,000	7,780,000	7,733,141	-0.6%
State Aid	2,541,380	2,534,462	2,534,462	2,588,927	2.1%
Fed. State & Priv. Gifts & Grants	0	235,600	0	235,600	—
Workforce Development & Continuing Ed Revenues	6,915,600	10,675,062	10,675,062	10,682,668	0.1%
CABLE TELEVISION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Cable Television Fund Personnel Costs	0	0	0	0	—
Operating Expenses	752,040	784,546	784,546	848,100	8.1%
Capital Outlay	0	0	0	0	—
Cable Television Fund Expenditures	752,040	784,546	784,546	848,100	8.1%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	8.0	8.0	8.0	8.0	—
REVENUES					
Cable: Other Revenue	1,008	0	0	0	—
Cable Television Fund Revenues	1,008	0	0	0	—
ENDOWMENT FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Endowment Fund Personnel Costs	0	0	0	0	—
Operating Expenses	0	0	0	250,000	—
Capital Outlay	0	0	0	0	—
Endowment Fund Expenditures	0	0	0	250,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Interest	15,000	16,000	16,000	5,000	-68.8%
Endowment Fund Revenues	15,000	16,000	16,000	5,000	-68.8%
MAJOR FACILITIES FUND					

	Actual FY03	Budget FY04	Estimated FY04	Recommended FY05	% Chg Bud/Rec
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Major Facilities Fund Personnel Costs	0	0	0	0	—
Operating Expenses	0	0	1,474,577	1,500,000	—
Capital Outlay	0	0	0	0	—
Major Facilities Fund Expenditures	0	0	1,474,577	1,500,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Students Fees	954,546	1,300,000	1,300,000	900,000	-30.8%
Other Revenues: Interest	28,413	30,000	30,000	30,000	—
Major Facilities Fund Revenues	982,959	1,330,000	1,330,000	930,000	-30.1%
MC GRANTS TAX SUPPORTED FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
MC Grants Tax Supported Fund Personnel Costs	0	0	0	0	—
Operating Expenses	250,000	0	250,000	0	—
Capital Outlay	0	0	0	0	—
MC Grants Tax Supported Fund Expenditures	250,000	0	250,000	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
DEPARTMENT TOTALS					
Total Expenditures	150,247,060	170,894,157	165,939,057	178,224,844	4.3%
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	0	0	0	0	—
Total Workyears	1493.9	1556.9	1556.9	1590.9	2.2%
Total Revenues	91,272,903	102,584,617	99,499,280	101,825,114	-0.7%

MONTGOMERY COLLEGE CURRENT FUND
COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN
FY05 - 10

	FY04 2nd Q Estimate	FY05 CE Rec	FY06 Proj.	FY07 Proj.	FY08 Proj.	FY09 Proj.	FY10 Proj.
Beginning Fund Balance	8,455,234	8,749,097	4,073,538	3,505,534	3,416,883	3,602,406	3,604,920
Revenues							
General Fund Contribution	65,250,701	69,765,695	69,765,695	69,765,695	69,765,695	69,765,695	69,765,695
Tuition & Related Fees	49,409,972	52,264,000	52,264,000	52,264,000	52,264,000	52,264,000	52,264,000
Tuition Increase		0	6,500,000	9,500,000	12,500,000	10,800,000	12,500,000
Other student Fees	944,881	1,050,000	1,072,050	1,094,676	1,117,779	1,141,369	1,165,338
State Aid	22,451,276	22,352,759	23,135,106	23,944,834	24,782,903	25,650,305	26,548,066
State Aid Reduction		0					
Fed, State & Priv. Gifts/Grants	160,347	125,000	125,000	125,000	125,000	125,000	125,000
Investment Income	330,025	700,000	540,000	770,000	920,000	1,060,000	1,210,000
Performing Arts Center	60,000	80,000	80,000	85,000	90,000	95,000	100,000
Other Revenues (asset sales, lib)	288,919	232,684	250,000	275,000	300,000	325,000	350,000
Total Revenues	138,896,121	146,570,138	153,731,851	157,824,205	161,865,377	161,226,370	164,028,099
Mandatory Transfers	(398,987)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Perkins	0	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
SEOG	(163,590)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
CWSP	(235,397)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Nonmandatory Transfers	279,895	341,145	341,145	341,145	341,145	341,145	341,145
From Auxiliary Fund	279,895	341,145	341,145	341,145	341,145	341,145	341,145
Total Revenues and Transfers	138,777,029	146,461,283	153,622,996	157,715,350	161,756,522	161,117,515	163,919,244
Total Resources Available	147,232,263	155,210,380	157,696,534	161,220,883	165,173,406	164,719,920	167,524,164
County Share - %	47.0%	47.6%	45.4%	44.2%	43.1%	43.3%	42.6%
State Aid Share - %	16.2%	15.3%	15.1%	15.2%	15.3%	15.9%	16.2%
Tuition, Fees, Other - %	36.4%	36.5%	39.1%	40.1%	41.1%	40.3%	40.7%
Total Expenditures	(138,483,166)	(151,136,842)	(154,191,000)	(157,804,000)	(161,571,000)	(161,115,000)	(164,084,000)
End of Year Proj. Fund Bal.	8,749,097	4,073,538	3,505,534	3,416,883	3,602,406	3,604,920	3,440,164
End of Year Proj. Fund Bal., % of C	6.3%	2.8%	2.3%	2.2%	2.2%	2.2%	2.1%

Assumptions:

1. A significant tuition increase may be required in FY06 depending on the level of MC expenditures.
2. The County's local contribution is maintained at the FY05 level from FY06-10 to meet the State Maintenance of Effort requirements.
3. The figures above do not include \$6.311 million in current revenue for the College's CIP Projects.

Montgomery College Organizational Chart

